

## EDITORIAL



# INSTEAD OF MAKING EXCUSES

Steinway Hall in New York City and Guitar Center are not retail businesses that make for a ready comparison. In fact, they practically define polar opposites. One caters to upscale sophisticates looking for a trophy piano and the other bills itself as fulfilling the dreams of rock star “wannabes.” Yet the recent performance of the two operations confirm an often-overlooked retail truism, namely that you have to give customers a reason to buy.

New York City and the surrounding metro area is heavily dependent on the financial industry, and right now things are looking pretty bleak for bankers, stockbrokers, and investment bankers. In addition to being reviled by everyone who saw their 401K shrink into a “201K,” this group is facing unprecedented layoffs and salary cuts. Against this depressing backdrop, a salesman trafficking in \$50,000 grand pianos could find an endless number of excuses to justify poor results.

The management of Steinway dispensed with the excuse-making and stepped up their promotional efforts. For an annual “Factory Selection” sales event, they combined direct mail and newspaper advertising with an aggressive phone effort, calling everyone who had ever visited the Steinway stores or expressed even the slightest interest in buying a piano. The advertising and grueling phone work paid off handsomely; over a two-day period in May, Steinway sold 150 pianos valued at \$4.0 million, establishing a new record for sales events.

If New York’s local economy is particularly bleak, the rest of the country isn’t a whole lot better. Consider the headlines that ran in a single issue of *USA Today* last April. “War Jitters Crimp Retail Sales,” “Layoffs Rattle Consumer Confidence,” and “Stock Market Losses Devastate Financial Plans.” This consumer malaise has

been reflected in disappointing sales results at a large number of publicly traded retailers. Guitar Center, however, managed to buck the trend, posting a healthy four percent comparable store sales increase for its quarter ended March 31. Instead of searching for excuses, they

spent more on advertising and promotions, running radio spots, mailing out flyers, and creating special sales events.

People have to eat and drink to survive, giving the average grocery store a guarantee of steady traffic. By contrast, the purchase of music and sound products can be deferred, forcing retailers to create a sense of urgency to drive people into their stores. In a less-than-robust economy, creating this sense of urgency is probably more critical than ever, whether it’s Steinway promising “a rare opportunity to sample the broadest array of fine pianos ever assembled,” or, in the case of Guitar Center, offering no interest payments for 15 months and “once-in-a-lifetime deals.”

Scan the business section of any newspaper or flip on the evening news and you’ll find enough discouraging stories to explain away any level of performance. After all,

if United Airlines is bust, Gateway Computers had its debt downgraded after a big loss, and unemployment nudged up to 6.1 percent, the highest level in nine years, why shouldn’t a local music store have an off month? However, as Guitar Center and Steinway potently illustrate, the business is there if you’re willing to go out and get it.



**Business Builders.**

**Brian T. Majeski**  
Editor  
email: [brian@musictrades.com](mailto:brian@musictrades.com)